

DE-063-65

NEGOTIATED CONTRACT

Contract No. GB-1965

25X1A

Contract for: See Schedule

Amount: See Schedule

Performance Period: See Schedule

Administrative Data:

This contract is entered into by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and the above named Contractor which is a corporation, incorporated in the State of New York hereinafter called the Contractor.

The parties hereto agree that the Contractor shall furnish the facilities and deliver all supplies and perform all the services set forth in the attached Schedule issued hereunder, for the consideration stated therein.

The rights and obligations of the parties to this contract shall be subject to and governed by the attached Schedule and the General Provisions. In the event of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of 28 JUNE, 1965.

Signatures:

25X1A

TITLE Manager - Marketing

THE UNITED STATES OF AMERICA

B

TITLE Contracting Officer

25X1A

**CONTAINS SENSITIVE
COMPARTMENTED INFORMATION**

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SCHEDULE

PART I - SCOPE OF WORK

The Contractor shall furnish the necessary personnel, services and facilities to provide the Government with consulting services in the field of Electromagnetic Warfare Planning Operations. The services shall include test monitoring and staff planning aids pertinent to the overall effective, continuing Electromagnetic Warfare Plan.

PART II - CONTRACT TYPE

The services hereunder shall be performed on a time and material basis.

PART III - PERIOD OF PERFORMANCE

The Contractor shall perform the services set forth in Part I hereof for the period 1 January 1965 through 30 June 1965.

PART IV - HOURS AND RATES

a. It is anticipated that the Government will require the Contractor to furnish approximately 261 man-hours of consulting services.

b. For the estimated man-hours of service performed hereunder the Contractor shall be paid the applicable hourly rates as follows:

Engineer (Category 1)	(Estimated)	124 man-hours	@	\$37.33 per man-hour
Engineer (Category 2)	(Estimated)	82 man-hours	@	\$30.66 per man-hour
Clerical (Category 3)	(Estimated)	55 man-hours	@	\$ 8.72 per man-hour

c. The hourly rates specified above are fixed for the period from inception of this contract through 30 June 1965. These rates include burden and profit.

PART V - TRAVEL AND LIVING

The Contractor's personnel shall perform travel as required by the needs of the contract or when requested by the Technical Representative of the Contracting Officer. Prior approval of the Contracting Officer will not be required. No fee will be applied on travel and living expenses when billed by the Contractor.

PART VI - SUPERVISION, UTILIZATION AND ADMINISTRATION

Contractor's personnel must at all times be recognized as employees of the Contractor and under administrative control of the Contractor. However, such personnel in the performance of their services shall be guided by and comply with the directions and requirements of the Contracting Officer or his Technical Representative under whose authority services shall be performed in a manner satisfactory to the Contracting Officer.

PART VII - CONSIDERATION AND PAYMENT

a. In consideration of the Contractor's performance of the services hereunder, the Contractor shall be paid at the rates set forth above in accordance with the Clause, "Payments", of the attached General Provisions.

b. As of the date of the execution of this contract there has been allocated for this contract the sum of \$10,000.00. The total amount payable to the Contractor under this contract shall not exceed this amount without written authorization from the Contracting Officer. The Contractor shall notify the Contracting Officer when 85% of the total allocated funds above have been expended.

PART VIII - WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS

Notwithstanding the requirements of any of the General Provisions of this contract to the contrary, whensoever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters; the Contractor shall call the attention of the Contracting Officer to such conflicts and the Contracting Officer or his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing except that approval by the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clause of the General Provisions in conflict with the stipulations of such subcontract.

PART IX - SPECIAL SECURITY RESTRICTIONS

The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters. And, notwithstanding any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

PART X - ANTICIPATORY COST

All costs which have been incurred by the Contractor on or after 1 January 1965 in anticipation of and prior to the signing of this contract and which if incurred after the signing of this contract would have been considered as items of allowable costs hereunder will be accepted by the Contracting Officer as costs under this contract.

PART XI - ALTERATIONS TO GENERAL PROVISIONS

a. Clause 16 thereof is deleted in its entirety and the following clause is substituted therefor:

"16. INSPECTION AND AUDIT

(a) The Contractor agrees that its books and records and its plant, or such parts thereof as may be engaged in the performance of this contract shall at all reasonable times be subject to inspection and audit when and to the extent authorized by the Contracting Officer.

(b) The Contractor agrees to include in each of his subcontracts hereunder which is on a cost or a cost-plus-a-fixed-fee or a price-redetermination basis, or a time-and-material or labor-hour basis, provision for such audit of such subcontracts by the Contractor. The Contractor shall conduct an audit of any such subcontract when requested to do so by the Contracting Officer.

b. Clause 17 thereof is deleted in its entirety and the following clause is substituted therefor:

"17. EXAMINATION OF RECORDS

The Contractor agrees that the Contracting Officer or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers and records of the Contractor involving transactions related to this contract, including subcontracts hereunder.

c. Clause 19 thereof is amended by deleting the word and figure "Part II" in the first line thereof.

GENERAL PROVISIONS

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(CONTRACTS FOR TECHNICAL SERVICES)

★ 1. DEFINITIONS (Feb. 1962).—As used throughout this contract, the following terms shall have the meanings set forth below:

(a) The term "head of the agency" or "Secretary" means the Secretary, the Under Secretary, any Assistant Secretary, or any other head or assistant head of the executive or military department or other Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the head of the agency or the Secretary.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority. The Commander of the Air Force activity to which any contractor personnel may be assigned hereunder is hereby designated an authorized representative of the Contracting Officer with regard to contractor personnel so assigned.

(c) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

(d) The terms "contractor employee" and "contractor personnel" as used throughout this contract shall be deemed to refer to all contract technical services personnel, including all of the specific types of technicians referred to in the Schedule, and shall be defined as persons, such as advisers, instructors, or technical specialists, obtained through the contractor to perform services pertaining to the operation and maintenance engineering of Air Force equipment. The terms include both:

(i) "Technical representatives" who are employees of a manufacturer furnishing end items of equipment to the Air Force, and furnishing services only in connection with such end items; and

(ii) "Contract technicians" who are employees of a commercial concern furnishing services to the Air Force at least a part of which are in connection with end items not manufactured by the Contractor.

(e) The term "man month" as used herein shall be deemed to be the time devoted to the performance of services hereunder by one contractor employee during a period of one calendar month.

(f) The term "continental limits of the United States" as used herein means any place within the territorial limits of the 48 states (other than Alaska and Hawaii) and the District of Columbia.

(g) The term "domestic services" as used herein means services within the continental limits of the United States.

(h) The term "overseas" as used herein means any place outside the continental limits of the United States.

2. CHANGES (Jul. 1955).—The Contracting Officer may, at any time, by a written order, and without notice to the sureties, if any, make changes in or additions to drawings and specifications, issue additional instructions, require modified or additional work or services within the general scope of the contract, change the place of delivery or method of shipment, or the amount of Government furnished property. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this contract, an equitable adjustment shall be made in the contract price, or time of performance, or both; and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within sixty (60) days from the date of receipt by the Contractor of the notification of change: provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. INSPECTION.—All services, material and workmanship, shall be subject to inspection and test by representatives of the Government. For this purpose, the Contractor shall allow at all reasonable times inspectors and other Government personnel free access to the plant and operations and shall furnish such facilities, supplies, and services as may be required for this work.

4. PAYMENTS (Jul. 1955).

(a) The Contractor shall be paid in monthly installments upon submission of properly certified invoices therefor for services rendered and accepted less deductions, if any, as herein provided.

(b) Any payments in reimbursement of the cost of any transportation furnished by the Contractor for which it is entitled to be reimbursed under paragraph (a) of the Clause hereof entitled "Services Furnished by the Government" shall be made upon the submission of properly certified invoices and other evidence satisfactory to the Contracting Officer covering the expenditures for which reimbursement is so sought.

(c) If this contract provides for overseas services, the domestic rates, if any, specified in the Schedule are applicable to that portion of the time necessary for travel between the Contractor's plant and the overseas site which is spent within the continental limits of the United States.

★ 5. ASSIGNMENT OF CLAIMS (Feb. 1962).

(a) Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), if this contract provides for payments aggregating \$1,000 or more, claims for monies due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not

★ Changes to previous edition are marked with a star.

already paid, and shall not be made more than once by any party except that any such assignment or reassignment may be made to one party as agent of the other for two or more parties participating in financing. Unless otherwise provided in this contract, payments to an assignee of any monies due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off.

(b) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," or "Confidential," be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same. However, a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

* **6. FEDERAL, STATE, AND LOCAL TAXES (Aug. 1961).** (The provisions of this clause shall be applicable only if this Contract is a negotiated contract in excess of \$10,000.00)—

(a) Except as may be otherwise provided in this contract, the contract price includes all applicable Federal, State, and local taxes and duties.

(b) Nevertheless, with respect to any Federal excise tax or duty on the transactions or property covered by this contract, if a statute, court decision, written ruling, or regulation takes effect after the contract date, and—

(1) results in the Contractor being required to pay or bear the burden of any such Federal excise tax or duty or increase in the rate thereof which would not otherwise have been payable on such transactions or property, the contract price shall be increased by the amount of such tax or duty or rate increase, provided the Contractor warrants in writing that no amount for such newly imposed Federal excise tax or duty or rate increase was included in the contract price as a contingency reserve or otherwise; or

(2) results in the Contractor not being required to pay or bear the burden of, or in his obtaining a refund or drawback of, any such Federal excise tax or duty which would otherwise have been payable on such transactions or property or which was the basis of an increase in the contract price, the contract price shall be decreased by the amount of the relief, refund, or drawbacks, or that amount shall be paid to the Government, as directed by the Contracting Officer. The contract price shall be similarly decreased if the Contractor, through his fault or negligence or his failure to follow instructions of the Contracting Officer, is required to pay or bear the burden of, or does not obtain a refund or drawback of any such Federal excise tax or duty.

(c) No adjustment of less than \$100 shall be made in the contract price pursuant to paragraph (b) above.

(d) As used in paragraph (b) above, the term "contract date" means the date set for bid opening, or if this is a negotiated contract, the contract date. As to additional supplies or services procured by modification to this contract, the term "contract date" means the date of such modification.

(e) Unless there does not exist any reasonable basis to sustain an exemption, the Government upon the request of the Contractor shall, without further liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax: provided that, evidence appropriate to establish exemption from any Federal excise tax or duty which may give rise to either an increase or decrease in the contract price will be furnished only at the discretion of the Government.

(f) The Contractor shall promptly notify the Contracting Officer of matters which will result in either an increase or decrease in the contract price, and shall take action with respect thereto as directed by the Contracting Officer.

* **7. DEFAULT (Jul. 1962).**

(a) The Government may, subject to the provisions of paragraph (c) below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:

(i) if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

(ii) if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

(b) In the event the Government terminates this contract in whole or in part as provided in paragraph (a) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the Government for any excess costs for such similar supplies or services; provided, that the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(c) Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

(d) If this contract is terminated as provided in paragraph (a) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer, (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which

the Government has an interest. Payment for completed supplies delivered to and accepted by the Government shall be at the contract price. Payment for manufacturing materials delivered to and accepted by the Government and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." The Government may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sum as the Contracting Officer determines to be necessary to protect the Government against loss because of outstanding liens or claims of former lien holders.

(e) If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the Government, be the same as if the notice of termination had been issued pursuant to such clause.

(f) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

8. **DISPUTES (Jan. 1960).**—(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above: Provided, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

9. **CONVICT LABOR (Mar. 1949).**—In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

10. **WORK HOURS ACT OF 1962—OVERTIME COMPENSATION.**—This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) No Contractor or subcontractor contracting for any part of the contract work shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

(b) In the event of any violation of the provisions of paragraph (a), the Contractor and any subcontractor responsible for such violation shall be liable to any affected employee for his unpaid wages. In addition, such Contractor or subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph (a), in the sum of \$10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of forty hours in a workweek without payment of the required overtime wages.

(c) The Contracting Officer may withhold, or cause to be withheld, from moneys payable on account of work performed by the Contractor or subcontractor, the full amount of wages required by this contract and such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for liquidated damages as provided in paragraph (b).

* 11. **NONDISCRIMINATION IN EMPLOYMENT (Jul. 1962).**

In connection with the performance of work under this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Nondiscrimination in Employment clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity in effect as of the date of this contract.

(e) The Contractor shall comply with the rules, regulations, and orders of the said Committee, or pursuant hereto, and will permit access to his books, records, and accounts of the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the Nondiscrimination in Employment clause of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

(g) The Contractor will include the provisions of the foregoing paragraphs (a) through (f) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor.* The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

* The President's Committee on Equal Employment Opportunity interprets the first sentence of paragraph (g) to mean that the Contractor will include the provisions of the foregoing paragraphs (a) through (f) in every first-tier subcontract or purchase order, so that such provisions will be binding upon each such subcontractor or vendor, and will require each first-tier subcontractor or vendor similarly to include the provisions of paragraphs (a) through (f) in any subcontract or purchase order which he places, unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order 10925 of March 6, 1961.

12. OFFICIALS NOT TO BENEFIT (Jul. 1949).—No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

13. COVENANT AGAINST CONTINGENT FEES (Jan. 1958).—The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

14. TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (Oct. 1957).—(a) The performance of work under this contract may be terminated by the Government in accordance with this clause in whole, or from time to time in part, whenever the Contracting Officer shall determine that such termination is in the best interests of the Government. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective.

(b) After receipt of a Notice of Termination, and except as otherwise directed by the Contracting Officer, the Contractor shall (1) discontinue all work to the extent and on the dates specified in such Notice; (2) proceed promptly with the return to its plant of such of its Contractor personnel as may be covered by said Notice; and (3) transfer title and deliver to the Government, in the manner, and to the extent and at the times directed by the Contracting Officer, the completed and partially completed work, material, plans, drawings, data, information, reports, and other property produced as a part of, or acquired in connection with the performance of the work terminated in such Notice.

(c) Upon termination of work, as provided in this clause, the Contractor shall, in respect to such Contractor Personnel as may be covered by said Notice of Termination, be paid that part of the fixed price set forth in the clause of this contract entitled "Payments" which has accrued for services rendered hereunder up to the effective date of such Notice, and for time necessary for such Contractor Personnel to return to the plant of the Contractor after the effective date of said Notice and any other amounts properly owing to the Contractor under said "Payments" clause which are theretofore unpaid. If, at the date of said Notice, certain costs have actually been incurred by the Contractor in connection with the contract preliminary to the departure of the Contractor Personnel covered by said Notice of Termination from the plant of the Contractor which are allocable to the entire period of performance contemplated hereunder, the Government will pay to the Contractor such sum as the Contracting Officer and the Contractor may agree is properly allocable to the terminated portion of the contract. Settlement under the provisions of this paragraph (c) shall be evidenced by a Supplemental Agreement to the contract. In the event of the failure of the Contractor and the Contracting Officer to agree upon the whole amount to be paid to the Contractor by reason of the termination of work pursuant to this clause, the Contracting Officer shall determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall pay to the Contractor the amount so determined.

(d) Any dispute arising out of the termination of the contract under this clause shall be decided in accordance with the procedure prescribed in the "Disputes" clause hereof.

15. SUBCONTRACTS FOR WORK OR SERVICES.—No contract shall be made by the Contractor with any other party for furnishing any of the work or services herein contracted for without the written approval of the Contracting Officer, but this provision will not be taken as requiring the approval of contracts of employment between the Contractor and personnel assigned for services thereunder.

16. **INSPECTION AND AUDIT (Jul. 1948).**—(a) The Contractor agrees that its books and records and its plant, or such parts thereof as may be engaged in the performance of this contract shall at all reasonable times be subject to inspection and audit by any authorized representative of the department.

(b) The Contractor shall cause a like provision to be included in all subcontracts hereunder.

17. **EXAMINATION OF RECORDS (Feb. 1962).**—(The provisions of this clause shall be applicable only if this contract is a negotiated contract in excess of \$2,500.)—(a) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three (3) years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(b) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three (3) years after final payment under the subcontract have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract. The term "Subcontract" as used in this clause excludes (i) purchase orders not exceeding \$2,500 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

18. **GRATUITIES (Mar. 1952).**—(a) The Government may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary or his duly authorized representative that gratuities (in the form of entertainment, gifts or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such contract; provided that the existence of the facts upon which the Secretary or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(b) In the event this contract is terminated as provided in paragraph (a) hereof, the Government shall be entitled (i) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor, and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary or his duly authorized representative) which shall be not less than three nor more than ten times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

19. **CONTRACTOR PERSONNEL (Mar. 1960).**—(a) Subject to the provisions of PART II of the Schedule, the number of contractor personnel and the number of man-months specified in the Schedule may be exceeded with the prior written approval of the Contracting Officer, but only to the extent necessary to provide continuous service in the event that a transfer, reassignment, or other cause would result in an interruption of service.

(b) Contractor personnel will normally be assigned to major air command headquarters. Such personnel shall perform services at such places within the command as the Contracting Officer may direct.

(c) The Contractor shall be responsible for selecting personnel who are well qualified to perform the required services, for supervising techniques used in their work, and for keeping them informed of all improvements, changes and methods of operations.

(d) Contractor personnel, upon assignment, either within the continental limits of the United States or overseas, are subject to call 24 hours a day. Normally they will perform their assigned duties on the same daily and hourly basis as the personnel of the organization to which they are assigned. Holidays will be observed in accordance with the direction of the Commander of the air activity to which Contractor personnel are assigned. In the event that a Contractor employee is required to perform services hereunder on an observed holiday, reimbursement shall be made as provided in the Schedule.

(e) The Contractor shall be required to furnish a replacement for any Contractor personnel who may be returned to the Contractor's plant or become incapacitated or die or otherwise be unable to complete performance hereunder prior to the expiration of the period of performance, unless otherwise agreed upon by the parties hereto.

(f) The Contractor shall furnish all necessary equipment, salaries and wages of its personnel, all costs of subsistence and lodging, costs of passports, insurance, and any and all other costs in connection with the services to be rendered hereunder except as otherwise provided in the Clause hereof entitled "Services Furnished by the Government."

(g) The Contractor, promptly after receipt of official notice from the Contracting Officer that the services of Contractor personnel are required hereunder, shall furnish in writing to the Contracting Officer the name of each person assigned by the Contractor under this contract, his qualifications, his security clearance, and such other pertinent information as the Contracting Officer may request. The Contractor shall have the right to replace or transfer its personnel and to substitute other qualified personnel in lieu thereof; provided, however, that such transfers or reassignments will not be due cause for a break in services rendered and that such replacements or transfers have been coordinated with the Contracting Officer. Any transfers or reassignments for the convenience of the Contractor, including travel and training cost of replacement personnel, shall be at the Contractor's expense. Transfers and reassignments of personnel shall be construed as being for the convenience of the Contractor unless directed or approved by the Contracting Officer or his authorized representative. The selection of personnel by the Contractor shall be subject to approval of the Contracting Officer.

(h) The Contracting Officer may, if he finds it to be in the best interest of the Government, direct the Contractor to remove, and the Contractor shall remove, any employee from an assignment to perform services under this contract.

(i) The Contractor shall furnish to and use with the Contracting Officer such personnel as may be required by the Contracting Officer. Approved For Release 2002/06/11 : CIA-RDP66B00728R000400120009-4

(j) Personnel employed by the Contractor hereunder and sent overseas shall be accredited to the United States Air Force with a recognized status under the Hague Regulations and the Geneva Conventions, shall be given proper credentials and identification cards, shall wear a uniform when prescribed by the theater commander, shall be subject to appropriate recognition under the rules of war, and shall be subject to such regulations as have been or may hereafter be issued by the United States Air Force governing Contractor personnel serving with the United States Air Force in foreign theaters of operation.

20. PERIOD OF PERFORMANCE (Nov. 1958).—(a) The services shall be performed during the period set forth in PART III of the Schedule, but the time of starting and ending performance and the number of Contractor personnel furnished at any time shall be as directed by the Contracting Officer.

(b) It is understood that time necessary for Contractor personnel to proceed from the plant or plants of the Contractor to the site or sites for the performance of services hereunder shall be considered as time spent in the performance of services hereunder. It is also understood that time necessary for the transfer of Contractor personnel between different sites for the performance of services hereunder and time necessary for the return of such personnel to the plant of the Contractor shall be considered as time spent in the performance of services hereunder.

* 21. SERVICES FURNISHED BY THE GOVERNMENT (Oct. 1962).—In connection with services to be rendered hereunder, the Government shall furnish and supply to the Contractor the following facilities and services:

(a) Suitable transportation for Contractor personnel and their baggage and for any equipment to be furnished by the Contractor hereunder from the Contractor's plant to the site or sites of work, at any site of work while on official business, between sites of work, and return to the plant of the Contractor. In the event of failure by the Government to furnish suitable transportation, the Contractor shall furnish such transportation, and the Government will reimburse the Contractor for the actual and reasonable cost of such transportation, provided the same has been approved as provided in this paragraph. All travel of Contractor personnel will require prior approval from the Commander of the major Air Command having operating responsibility in connection with this contract, except that prior approval of nonexpense travel in connection with the unit mission is not required.

(b) Use of Government communication facilities for the exchange of messages between Contractor personnel and the Contractor, where and when available if the Contractor is unable to procure commercial communication services; but the use thereof shall be subject to the regulations of the Representatives of the Government in charge thereof.

(c) Use of Government services and agencies in the transmittal of funds to Contractor personnel and as a medium of commercial exchange for said personnel when adequate commercial services and facilities are not available.

(d) Contractor personnel assigned to Air Force activities will be accorded the same privileges as military company grade officers with regard to bachelor officer quarters, local transportation and messing, when available. Emergency medical facilities may be furnished as prescribed by applicable regulations.

22. MILITARY SECURITY REQUIREMENTS (Jun. 1958).—(a) The provisions of this clause shall apply to the extent this contract involves access to information classified "Confidential" including "Confidential—Modified Handling Authorized" or higher.

(b) The Government shall notify the Contractor of the security classification of this contract, and the elements thereof, and of any subsequent revisions in such security classification, by the use of a Security Requirements Check List (DD Form 254), or other written notification.

(c) To the extent the Government has indicated as of the date of this contract or thereafter indicates security classification under this contract as provided in paragraph (b) above, the Contractor shall safeguard all classified elements of this contract and shall provide and maintain a system of security controls within its own organization in accordance with the requirements of:

(i) the Security Agreement (DD Form 441), including the Department of Defense Industrial Security Manual for Safeguarding Classified Information as in effect on date of this contract, and any modification to the Security Agreement for the purpose of adapting the Manual to the Contractor's business; and

(ii) any amendments to said Manual made after the date of this contract, notice of which has been furnished to the Contractor by the Security Office of the Military Department having security cognizance over the facility.

(d) Representatives of the Military Department having security cognizance over the facility and representatives of the Contracting Military Department shall have the right to inspect at reasonable intervals the procedures, methods, and facilities utilized by the Contractor in complying with the security requirements under this contract. Should the Government, through these representatives, determine that the Contractor is not complying with the security requirements of this contract, the Contractor shall be informed in writing by the Security Office of the cognizant Military Department of the proper action to be taken in order to effect compliance with such requirements.

(e) If subsequent to the date of this contract, the security classifications or security requirements under this contract are changed by the Government as provided in this clause and the security costs under this contract are thereby increased or decreased, the contract price shall be subject to an equitable adjustment by reason of such increased or decreased costs. Any equitable adjustment shall be accomplished in the same manner as if such changes were directed under the "Changes" clause in this contract.

(f) The Contractor agrees to insert, in all subcontracts hereunder which involve access to classified information, provisions which shall conform substantially to the language of this clause, including this paragraph (f) but excluding the last sentence of paragraph (e) of this clause.

(g) The Contractor also agrees that it shall determine that any subcontractor proposed by it for the furnishing of supplies and services which will involve access to classified information in the Contractor's custody has been granted an appropriate facility security clearance, which is still in effect, prior to being accorded access to such classified information.

★ 23. GOVERNMENT-FURNISHED PROPERTY (Nov. 1961).

(a) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished Property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished Property suitable for use will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished Property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay occasioned the Contractor thereby, and shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by such delay, in accordance with the procedures provided for in the clause of this contract entitled "Changes." In the event the Government-furnished Property is received by the Contractor in a condition not suitable for the intended use the Contractor shall, upon receipt thereof, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property at the Government's expense or otherwise dispose of the property, or (ii) effect repairs or modifications. Upon the completion of (i) or (ii) above, the Contracting Officer upon written request of the Contractor shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by the rejection or disposition, or the repair or modification, in accordance with the procedures provided for in the clause of this contract entitled "Changes." The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished Property or delivery of such property in a condition not suitable for its intended use.

(b) By notice in writing the Contracting Officer may decrease the property furnished or to be furnished by the Government under this contract. In any such case, the Contracting Officer upon the written request of the Contractor shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provisions affected by the decrease, in accordance with the procedures provided for in the clause of this contract entitled "Changes."

(c) Title to the Government-furnished Property shall remain in the Government. Title to Government-furnished Property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government-furnished Property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty. The Contractor shall comply with the provisions of the "Manual for Control of Government Property in Possession of Contractors" (Appendix B, Armed Services Procurement Regulation) as in effect on the date of the contract, which Manual is hereby incorporated by reference and made a part of this contract.

(d) The Government-furnished Property shall, unless otherwise provided herein, be used only for a performance of this contract.

(e) The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the maintenance, repair, protection and preservation of Government-furnished Property, until disposed of by the Contractor in accordance with this clause. In the event that any damage occurs to Government-furnished Property the risk of which has been assumed by the Government under this contract, the Government shall replace such items or the Contractor shall make such repair of the property as the Government directs: provided, however, that if the Contractor cannot effect such repair within the time required, the Contractor shall dispose of such property in the manner directed by the Contracting Officer. The contract price includes no compensation to the Contractor for the performance of any repair or replacement for which the Government is responsible, and an equitable adjustment will be made in the contract price for any such repair or replacement of Government-furnished Property made at the direction of the Government. Any repair or replacement for which the Contractor is responsible under the provisions of this contract shall be accomplished by the Contractor at his own expense.

(f) (1) Except for loss, destruction or damage resulting from a failure of the Contractor due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel as defined herein, to maintain and administer the program for the maintenance, repair, protection and preservation of the Government-furnished Property, as required by paragraph (e) hereof, and except as specifically provided in this contract, the Contractor shall not be liable for loss or destruction of or damage to the Government-furnished Property—

- (i) caused by any peril while the property is in transit off the Contractor's premises, or
- (ii) caused by any of the following perils while the property is on the Contractor's or subcontractor's premises, or on any other premises where such property may properly be located, or by removal therefrom because of any of the following perils:
 - (A) Fire; lightning, windstorm, cyclone, tornado, hail; explosion; riot, riot attending a strike, civil commotion; vandalism and malicious mischief; sabotage; aircraft or objects falling therefrom; vehicles running on land or tracks, excluding vehicles owned or operated by the Contractor or any agent or employee of the Contractor; smoke; sprinkler leakage; earthquake or volcanic eruption; flood, meaning thereby rising of a body of water; hostile or warlike action, including action in hindering, combating, or defending against an actual, impending or expected attack by any government or sovereign power (de jure or de facto), or by any authority using military, naval, or air forces; or by an agent of any such government, power, authority, or forces; or
 - (B) Other peril, of a type not listed above, if such other peril is customarily covered by insurance (or by a reserve for self-insurance) in accordance with the normal practice of the Contractor, or the prevailing practice in the industry in which the Contractor is engaged with respect to similar property in the same general locale.

The perils as set forth in (i) and (ii) above are hereinafter called "excepted perils."

This clause shall not be construed as relieving a subcontractor from liability for loss or destruction of or damage to the Government-furnished Property while in his possession or control, except to the extent that the subcontract,

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with the prior approval of the Contracting Officer, may provide for the relief of a subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government-furnished Property in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of the prime contract.

The term "Contractor's managerial personnel" as used herein means the Contractor's directors, officers and any of his managers, superintendents, or other equivalent representatives who have supervision or direction of—

- (i) all or substantially all of the Contractor's business;
- (ii) all or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed;
- (iii) a separate and complete major industrial operation in connection with the performance of this contract.

(2) The Contractor represents that he is not including in the price hereunder, and agrees that he will not hereafter include in any price to the Government, any charge or reserve for insurance (including self-insurance funds or reserve) covering loss or destruction of or damage to the Government-furnished Property caused by any excepted peril.

(3) Upon the happening of loss or destruction of or damage to any Government-furnished Property caused by an excepted peril, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has directed that no such organization be employed), shall take all reasonable steps to protect the Government-furnished Property from further damage, separate the damaged and undamaged Government-furnished Property, put all the Government-furnished Property in the best possible order, and furnish to the Contracting Officer a statement of:

- (i) the lost, destroyed and damaged Government-furnished Property;
- (ii) the time and origin of the loss, destruction or damage;
- (iii) all known interests in commingled property of which the Government-furnished Property is a part; and
- (iv) the insurance, if any, covering any part of or interest in such commingled property.

The Contractor shall be reimbursed for the expenditures made by him in performing his obligations under this subparagraph (3) (including charges made to the Contractor by the Loss and Salvage Organization, except any of such charges the payment of which the Government has, at its option, assumed directly), to the extent approved by the Contracting Officer and set forth in a Supplemental Agreement.

(4) With the approval of the Contracting Officer after loss or destruction of or damage to Government-furnished Property, and subject to such conditions and limitations as may be imposed by the Contracting Officer, the Contractor may, in order to minimize the loss to the Government or in order to permit resumption of business or the like, sell for the account of the Government any item of Government-furnished Property which has been damaged beyond practicable repair, or which is so commingled or combined with property of others, including the Contractor, that separation is impracticable.

(5) Except to the extent of any loss or destruction of or damage to Government-furnished Property for which the Contractor is relieved of liability under the foregoing provisions of this clause, and except for reasonable wear and tear or depreciation, or the utilization of the Government-furnished Property in accordance with the provisions of this contract, the Government-furnished Property (other than property permitted to be sold) shall be returned to the Government in as good condition as when received by the Contractor in connection with this contract, or as repaired under paragraph (e) above.

(6) In the event the Contractor is reimbursed or compensated for any loss or destruction of or damage to the Government-furnished Property, caused by an excepted peril, he shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of or damage to the Government-furnished Property, the Contractor shall enforce the liability of the subcontractor for such loss or destruction of or damage to the Government-furnished Property for the benefit of the Government.

(g) The Government shall at all reasonable times have access to the premises wherein any Government-furnished Property is located.

(h) Upon the completion of this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government-furnished Property not consumed in the performance of this contract (including any resulting scrap) or not theretofore delivered to the Government, and shall deliver or make such other disposal of such Government-furnished Property, as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid in such other manner as the Contracting Officer may direct.

(i) Directions of the Contracting Officer and communications of the Contractor issued pursuant to this clause shall be in writing.

(j) Such equipment, services, and facilities as are to be furnished and paid for by the Contractor under the provisions of the clause hereof entitled "Contractor Personnel," if not commercially available to the Contractor after the Contractor has made every effort to procure the same, may be furnished by the Government. Such equipment, services, and facilities, when supplied by the Government for the Contractor personnel shall be approximately of the same standard as supplied to military company grade officers of the United States Air Force. In the event that such equipment, services, and facilities are supplied by the Government, an equitable adjustment of the fixed price to be paid to the Contractor hereunder shall be made by the Contracting Officer and the contract amended accordingly. Such equipment and facilities shall be considered Government-furnished property and subject to the provisions of this clause.

24. RENEGOTIATION (Oct. 1959).—(a) To the extent required by law, this contract is subject to the Renegotiation Act of 1951 (50 U.S.C. App. 1211, et seq.), as amended, and to any subsequent Act of Congress providing for the renegotiation of contracts. Nothing contained in this clause shall impose any renegotiation obligation with respect to this contract or any subcontract hereunder which is not imposed by an Act of Congress heretofore or hereafter enacted. Subject to the foregoing this contract shall be deemed to contain all the provisions required by Section 104 of the Renegotiation Act of 1951, and by any such other act, without subsequent contract amendment specifically incorporating such provisions.

(b) The Contractor agrees to insert the provisions of this clause, including this paragraph (b) in all subcontracts as that term is defined in Section 103g of the Renegotiation Act of 1951, as amended.

* 25. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (Feb. 1962).
The provisions of this clause shall be applicable only if the amount of this contract exceeds \$10,000.

(a) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this contract of which the Contractor has knowledge.

(b) In the event of any suit against the Government, or any claim against the Government made before suit has been instituted, on account of any alleged patent or copyright infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or services performed hereunder, the Contractor shall furnish to the Government, upon request, all evidence and information in possession of the Contractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except in those cases in which the Contractor has agreed to indemnify the Government against the claim being asserted.

* 26. DATA (Feb. 1962).

(a) The term "Subject Data" as used herein includes writings, sound recordings, pictorial reproductions, drawings or other graphical representations, and works of any similar nature (whether or not copyrighted) which are specified to be delivered under this contract. The term does not include financial reports, cost analyses, and other information incidental to contract administration.

(b) The Contractor agrees to and does hereby grant to the Government, and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, nonexclusive and irrevocable license throughout the world for Government purposes to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all Subject Data now or hereafter covered by copyright.

(c) The Contractor shall not include in the Subject Data any copyrighted matter, without the written approval of the Contracting Officer, unless he provides the Government with the written permission of the copyright owner for the Government to use such copyrighted matter in the manner provided in paragraph (b) above.

(d) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of copyright infringement received by the Contractor with respect to all Subject Data delivered under this contract.

(e) Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

(f) Unless otherwise limited below, the Government may duplicate, use, and disclose in any manner and for any purpose whatsoever, and have others so do, all Subject Data delivered under this contract.

(g) The Contractor recognizes that the Government, or a foreign government with funds derived through the Mutual Security Program or otherwise through the United States Government, may contract for property or services with respect to which the vendor may be liable to the Contractor for charges for the use of Subject Data on account of such a contract. The Contractor further recognizes that it is the policy of the Government not to pay in connection with its contracts, or to allow to be paid in connection with contracts made with funds derived through the Mutual Security Program or otherwise through the United States Government, charges for data which the Government has a right to use and disclose to others, or which is in the public domain, or with respect to which the Government has been placed in possession without restrictions upon its use and disclosure to others. This policy does not apply to reasonable reproduction, handling, mailing, and similar administrative costs incident to the furnishing of such data. In recognition of this policy, the Contractor agrees to participate in and make appropriate arrangements for the exclusion of such charges from such contracts or for the refund of amounts received by the Contractor with respect to any such charges not so excluded.

(h) Notwithstanding any provisions of this contract concerning inspection and acceptance, the Government shall have the right at any time to modify, remove, obliterate or ignore any marking not authorized by the terms of this contract on any piece of Subject Data furnished under this contract.

* 27. DATA—WITHHOLDING OF PAYMENT (Apr. 1962).

If "Subject Data" (as defined in the clause of this contract entitled "Data"), or any part thereof, is not delivered within the time specified by this contract or is deficient upon delivery (including having restrictive markings not specifically authorized by this contract), the Contracting Officer may, until such data is delivered or deficiencies are corrected, withhold payment to the Contractor of ten percent (10%) of the contract price unless a lesser withholding is specified in the schedule. Payments shall not be withheld nor any other action taken pursuant to this clause where the Contractor's failure to make timely delivery or to deliver data without deficiencies arises out of causes beyond the control and without the fault or negligence of the Contractor within the meaning of the clause hereof entitled "Default." The withholding of any amount or subsequent payment thereof to the Contractor shall not be construed as a waiver of any rights accruing to the Government under this contract.

28. TECHNICAL INFORMATION (Oct. 1958).—(The provisions of the following clause entitled "Technical Information" shall be applicable only to work required by this Contract which is to be performed outside the United States, its territories, its possessions or Puerto Rico.)

The Government may duplicate, use, and disclose in any manner for its governmental purposes, including delivery to other governments for the furtherance of mutual defense of the United States Government and such other governments, all or any part of the technical information including reports, drawings, blueprints, and other data specified to be delivered by the Contractor to the Government under this contract.

29. REPORTING OF ROYALTIES (FOREIGN) (Jan. 1962).—(The provisions of the following clause entitled "Reporting of Royalties (Foreign)" shall be applicable only to work required by this contract which is to be performed outside the United States, its territories, its possessions or Puerto Rico.)

If this contract is in an amount which exceeds \$50,000, the Contractor shall report in writing to the Contracting Officer during the performance of this contract the amount of royalties paid or to be paid by the Contractor directly to others in the performance of this contract. The Contractor shall also (i) furnish in writing any additional information relating to such royalties as may be requested by the Contracting Officer and (ii) insert a provision similar to this clause in any subcontract hereunder which involves an amount in excess of the equivalent of fifty thousand United States dollars.

★ **30. INTEREST (Feb. 1962).**

Notwithstanding any other provision of this contract, unless paid within 30 days all amounts that become payable by the Contractor to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code) shall bear interest at the rate of six percent per annum from the date due until paid, and shall be subject to the adjustments as provided by Part 6 of Appendix E of the Armed Services Procurement Regulation, as in effect on the date of this contract. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this contract, (ii) the date of the first demand for payment, (iii) the date of a supplemental agreement fixing the amount, or (iv) if this contract provides for revision of prices, the date of written notice to the Contractor stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by contract supplement.